

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION FINANCE COMMITTEE

MINUTES OF MEETING

September 7, 2007



The meeting was called to order at 9:35 a.m. and the following members were present:

Robert Carlson, Chair John Chiang, Vice Chair Marjorie Berte Jim Zerio for Bill Lockyer Tony Oliveira Kurato Shimada Charles Valdes

Other Board Member(s) present:

AGENDA ITEM 2 – APPROVAL OF June 15, 2007, MEETING MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – CHIEF AUDITOR'S REPORT

Larry Jensen, Chief Auditor, Office of Audit Services, presented a matrix reflecting the status of various activities occurring within the Office of Audit Services to the Committee as an information item.

AGENDA ITEM 4 – OFFICE OF AUDIT SERVICES – QUARTERLY AND YEAR-END STATUS REPORT

Margaret Junker, Assistant Chief, Office of Audit Services, presented the Year-End and Quarterly Status Report, as of June 30, 2007, to the Committee as an information item.

AGENDA ITEM 5 – EXTERNAL AUDIT FEES

Mr. Jensen presented the External Audit Fees for fiscal year 2006-07 to the Committee as an information item.

AGENDA ITEM 6 – AUDITOR RECRUITMENT AND RETENTION

This item was deferred to the November Finance Committee meeting.

AGENDA ITEM 7 – OFFICE OF ENTERPRISE COMPLIANCE QUARTERLY STATUS REPORT

Patrick Gage, Assistant Division Chief, Office of Enterprise Compliance, presented the quarterly status report to the Committee as an information item.

AGENDA ITEM 8 – COMPLIANCE OFFICE REPORT

Sherry Johnstone, Chief Compliance Officer, presented a matrix that reflected the status of various activities occurring within the Office of Enterprise Compliance to the Committee as an information item.

AGENDA ITEM 9 – INFORMATION TECHNOLOGY SERVICES STATUS REPORT

Teri Bennett, Assistant Executive Officer, Information Technology Services Branch, presented a matrix that reflected the status of the PSR and EMBARC Projects to the Committee as an information item.

AGENDA ITEM 10 – YEAR-END BUDGET AND EXPENDITURE REPORT FOR FISCAL YEAR 2006-07

Russell Fong, Chief, Fiscal Services Division, presented the Year-end Budget and Expenditure Report for fiscal year 2006-07 to the Committee as an action item.

On **MOTION** by Mr. Oliveira, **SECONDED**, and **CARRIED**, the Committee recommended the Board approve the transmittal letter and submission of this report to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2006, and to the Legislative Analyst's Office, State and Consumer Services Agency, and the Office of the Legislative Council; and the adjustment of FY 2006-07 fund appropriation levels in accordance with final cost allocation results and approve the transmittal of the information to the State Controller's Office.

AGENDA ITEM 11 – SPRING FINANCE LETTERS

Mr. Fong presented three Spring Finance Letters to the Committee as an action item.

On **MOTION** by Ms. Berte, **SECONDED**, and **CARRIED**, the Committee recommended the Board approve an increase of \$1,211,000 and 11.0 positions in the fiscal year 2007-08 Administrative Budget.

AGENDA ITEM 12 – CURRENT BUDGET ISSUES

Mr. Fong presented updates on the following issues:

- FY 2007-08 Mid-Year Budget Process
- FY 2008-09 Budget Change Proposals

AGENDA ITEM 13 – SMALL BUSINESS AND DISABLED VETERAN BUSINESS ENTERPRISE CONTRACT PARTICIPATION FOR FISCAL YEAR 2006-07 ANNUAL REPORT

Lindy E. Plaza, Internal Operations Diversity Officer, presented the annual report to the Committee as an information item.

AGENDA ITEM 14 – FINANCE COMMITTEE MEETING CALENDAR FOR 2008

The Chair directed staff to research the possibility of rescheduling Friday Committee meetings to either Monday or Tuesday.

AGENDA ITEM 15 - ASSISTANT EXECUTIVE OFFICER REPORT

Mr. Hiber presented a matrix that reflected the status of several projects to the Committee as an information item

AGENDA ITEM 16 - PROPOSED NOVEMBER 2007 AGENDA

Mr. Hiber presented the proposed November 2007 agenda to the Committee. The agenda was approved with the addition of the following item:

Auditor Recruitment and Retention

AGENDA ITEM 17 – PUBLIC COMMENT

There was no public comment.

The next Finance Committee meeting is scheduled for November 14, 2007, in Sacramento, California.